

**SWRK4020**

Social Work Practice in Industrial Setting

**Topic: Trade Union**

**Dr. M. Vijay Kumar Sharma**

**Associate Professor**

**Department of Social Work**

**MGCU, Bihar**

# Trade Unions

- "Trade Union" means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business
- Trade unions are formed to protect and promote the interests of their members. Their primary function is to protect the interests of workers against discrimination and unfair labor practices.

- Trade union is an association either of employees or employers or of independent workers.
- It is a relatively permanent formation of workers. It is not a temporary or casual combination of workers.
- It is formed for securing certain economic, social benefits to members.
- Collective strength offers a sort of insurance cover to members to fight against irrational, arbitrary and illegal actions of employers. Members can share their feelings, exchange notes and fight the employer quite effectively whenever he goes off the track.

- In India the Trade Union movement is generally divided on political lines. According to provisional statistics from the Ministry of Labour, trade unions had a combined membership of 24,601,589 in 2002. As of 2008, there are 11 Central Trade Union Organisations (CTUO) recognised by the Ministry of Labour.

## Central Trade Unions:

1. All India Trade Union Congress (AITUC)
2. Bharatiya Mazdoor Sangh (BMS)
3. Centre of Indian Trade Unions (CITU)
4. Hind Mazdoor Kisan Panchayat (HMKP)
5. Hind Mazdoor Sabha (HMS)
6. Indian Federation of Free Trade Unions (IFFTU)
7. Indian National Trade Union Congress (INTUC)
8. National Front of Indian Trade Unions (NFITU)
9. National Labor Organization (NLO)
10. Trade Unions Co-ordination Centre (TUCC)
11. United Trade Union Congress (UTUC) and
12. United Trade Union Congress - Lenin Sarani (UTUC- LS)

# Objectives of Trade Union

- Wages or salaries
- Working conditions
- Discipline
- Personnel policies
- Welfare
- Employee-employer relation
- Negotiating machinery
- Safeguarding organizational health and interest of the industry

# Functions of Trade unions

## **(i) Militant Functions (Activist or Revolutionary)**

- (a) To achieve higher wages and better working conditions
- (b) To raise the status of workers as a part of industry
- (c) To protect labors against victimization and injustice

## **(ii) Fraternal Functions** (Brother Relationship)

- To take up welfare measures for improving the morale of workers
- To generate self confidence among workers
- To encourage sincerity and discipline among workers
- To provide opportunities for promotion and growth
- To protect women workers against discrimination



# Importance Of Trade Unions

- Trade unions help in **accelerated pace** (speed) of economic development in many ways as follows:
- by helping in the **recruitment and selection** of workers.
- by inculcating discipline among the workforce
- by enabling **settlement of industrial disputes** in a rational manner
- by **helping social adjustments**. Workers have to adjust themselves to the new working conditions, the new rules and policies. Workers coming from different backgrounds may become disorganized, unsatisfied and frustrated. Unions help them in such adjustment.

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## **Social responsibilities of trade unions include:**

- **promoting and maintaining national integration** by reducing the number of industrial disputes
- incorporating a sense of corporate social responsibility in workers
- **achieving industrial peace**

## Reasons for Joining Trade Unions

- **Greater Bargaining Power**
- **Minimize Discrimination**
- **Sense of Security**
- **Sense of Participation**
- **Sense of Belongingness**
- **Platform for self expression**
- **Betterment of relationships**

# Causes of Industrial Disputes

The causes of industrial disputes can be broadly classified into two categories:

- **economic causes**

The economic causes will include issues relating to compensation like wages, bonus, allowances, and conditions for work, working hours, leave and holidays without pay, unjust layoffs and retrenchments.

- **non-economic causes**

The non economic factors will include victimization of workers, ill treatment by staff members, sympathetic strikes, political factors, indiscipline etc.

# Trade Union Act, 1926

# Introduction

The Act was formulated in 1926 called- 'Indian Trade Union Act' and enforced from **1st June 1927**. The Indian Trade Union Act 1926 was passed to provide for the registration of trade unions with a view to render lawful association of workers. The act also defined law relating to registered trade unions and provided certain privileges and protection to the registered trade unions.

# Object of the act

- Conditions **governing** the registration of trade unions.
- Obligations imposed upon a registered trade union.
- **Rights and liabilities** of registered trade unions.

# Scope of the act

- It applies to **registered trade unions** and extend to the whole of India including the state of Jammu and Kashmir. The Act applies to all kinds of unions of workers and association of employers. The Act aims at regularizing the labour management relation



# Important definitions

- Appropriate Government
- Executive
- Registered Office
- Registered Trade Union
- Trade Dispute
- Trade Union
- Workmen

# Registration of Trade Unions

# Appointment of registrars

The Act empowers the appropriate government to appoint a person to be the Registrar of Trade Unions for each state.

It may appoint as **many additional and deputy registrars of Trade Unions as** it thinks fit. The appropriate government shall specify and define the local limits in which any deputy or additional Registrar shall exercise and discharge his powers and functions.

# Mode of registration (section 4 to 9)

(i) **Any seven or more members of a Trade Union may,** by subscribing their names to the rules of the Trade Union apply for registration of the Trade Union under this Act:

Provided that no Trade Union of workmen shall be registered unless at least ten per cent or one hundred of the workmen, whichever is less, engaged or employed in the establishment or industry with which it is connected are the members of such Trade Union on the date of making of application for registration.

## (ii) **Application for Registration**

- Every application for registration of a Trade Union shall be made to the Registrar and shall be accompanied by a copy of the rules of the Trade Union and a statement of the following particulars, namely:—
  - (a) the names, occupations and address of the members making application;
  - (b) the name of the Trade Union and the address of its head office; and
  - (c) the titles, names, ages, addresses and occupations of the office-bearers of the Trade Union.

# Mode of registration (section 4 to 9)

- Where a Trade Union has been in existence for more than one year before the making of an application for its registration, there shall be delivered to the Registrar, together with the application, a general statement of the assets and liabilities of the Trade Union prepared in such form and containing such particulars as may be prescribed.

# Mode of registration (section 4 to 9)

## (iii) Provisions to be contained in the Rules of a Trade Union

*A Trade Union shall not be entitled to registration under this Act, unless the executive thereof is constituted in accordance with the provisions of this Act, and the rules thereof provide for the following matters, namely:—*

- (a) the name of the Trade Union;*
- (b) the whole of the objects for which the Trade Union has been established;*
- (c) the whole of the purposes for which the general funds of the Trade Union shall be applicable, all of which purposes shall be purposes to which such funds are lawfully applicable under this Act;*

(d) the maintenance of a list of the members of the Trade Union and adequate facilities for the inspection thereof by the office-bearers and members of Trade Union;

(e) the admission of ordinary members who shall be persons actually engaged or employed in an industry with which the Trade Union is connected, and also the admission of the number of honorary or temporary members as office-bearers required under section 22 to form the executive of the Trade Union;



(f) the conditions under which any member shall be entitled to any benefit assured by the rules and under which any fine or forfeiture may be imposed on the members;

(g) the manner in which the rules shall be amended, varied or rescinded;

(h) the manner in which the members of the executive and the other office-bearers of the Trade Union shall be elected and removed;

(hh) the duration of period being not more than three years, for which the members of the executive and other office-bearers of the Trade Union shall be elected;

(i) the safe custody of the funds of the Trade Union, an annual audit, in such manner as may be prescribed, of the accounts thereof, and adequate facilities for the inspection of the account books by the office-bearers and members of the Trade Union; and

(j) the manner in which the Trade Union may be dissolved.

(iv) Power to call for further particulars

(v) Registration (Section 8): The Registrar, on being satisfied that the Trade Union has complied with all the requirements of this Act in regard to registration, shall register the Trade Union by making a necessary entries in the register, to be maintained in such form as may be prescribed. The particulars relating to the Trade Union contained in the statement accompanying the application for registration shall be entered in the register.

**(vi) Certificate of registration:** The Registrar, on registering a Trade Union under section 8, shall issue a certificate of registration in the prescribed form which shall be conclusive evidence that the Trade Union has been duly registered under this Act.

## **Appointment of Office bearers**

# Legal status of a registered trade union

1. It becomes a body corporate by the name under which it is registered and becomes a legal entity distinct from the members of which it is incorporated.
2. It has a perpetual succession and a common seal.
3. It has the power to acquire and hold both movable and immovable properties.
4. It has power to enter into contract.
5. It can sue and be sued by the name under which it is registered.

# Cancellation of registration

- *A certificate of registration of a Trade Union may be withdrawn or cancelled by the Registrar—*
  - (a) on the application of the Trade Union to be verified in such manner as may be prescribed;
  - (b) if the Registrar is satisfied that the certificate has been obtained by fraud or mistake or
  - (c) that the Trade Union has ceased to exist
  - (d) or has willfully and after notice from the Registrar contravened any provision of this Act or allowed any rule to continue in force which is inconsistent with any such provision
  - (e) or has rescinded any rule providing for any of the compulsory matters
  - (f) where the primary objects of the union are no longer statutory objects

# Cancellation of registration

- If the Registrar is satisfied that a registered Trade Union of workmen ceases to have the requisite number of members:
- Provided that not less than two months' previous notice in writing specifying the ground on which it is proposed to withdraw or cancel the certificate shall be given by the Registrar to the Trade Union before the certificate is withdrawn or cancelled otherwise than on the application of the Trade Union.

# Appeal for registration or re-registration

- An aggrieved party (a) by any refusal of the Registrar to register a trade union or (b) by the withdrawal or cancellation of a certificate of registration may prefer an appeal within 60 days.



# Registered office

- All communications and notices to a registered Trade Union may be addressed to its registered office. Notice of any change in the address of the head office shall be given within fourteen days of such change to the Registrar in writing, and the changed address shall be recorded in the register referred to in section 8.

# Rights and obligations

- *The general funds of a registered Trade Union shall not be spent on any other objects than the following, namely:—*
  - (a) Payment of salaries, allowances and expenses to office-bearers of the Trade Union.
  - (b) Payment of expenses for the administration and audit.
  - (c) Prosecution or defense of any legal proceedings for securing or protecting its rights.
  - (d) The conduct of trade disputes on behalf of the Trade Union or any member thereof;
  - (e) The compensation of members for loss arising out of trade disputes

# Rights and obligations

- (f) Allowances to members or their dependants on account of death, old age, sickness, accidents or unemployment of such members.
- (g) The issue of, or the undertaking of liability under, policies of assurance on the lives of members, or (under) policies insuring members against sickness, accident or unemployment.
- (h) The provision of education, social or religious benefits for members (including the payment of the expenses of funeral or religious ceremonies for deceased members) or for the dependants of members.
- (i) Publication of labour journals.

# Rights and obligations

- A registered trade union may constitute separate fund for political purposes from the contributions separately levied for or made to that fund. The contribution to this fund shall not be made compulsory. The purpose for which the political fund may be constituted are as follows:
  - (a) The holding of political meetings or distribution of political literature.
  - (b) The registration of electors or the selection of a candidate for any legislative body.
  - (c) The holding of any meeting or the distribution of any literature in support of any candidate or a prospective candidate.
  - (d) The payment of any expenses incurred by a candidate or a prospective candidate for election as a member of any legislative body,

# Change of name of registered trade union

- If a registered trade union wants to change its name, the notice of change of name must be in writing and signed by the 7 members and the Secretary of the union. The name can be changed with consent of at least  $2/3^{\text{rd}}$  of the total number of the members of the union. On getting the notice, the Registrar shall register the change in name, if he is satisfied that the proposed name is not identical with the name of the other existing union and all the requirements in respect of change of name have been complied with.

# Amalgamation of trade unions

- Any registered trade union may be amalgamated with any other trade union provided at least 50% of the members of each such union record their votes and at least 60% of the votes so recorded vote in favour of amalgamation. A notice of amalgamation, signed by at least 7 members and the secretary of each amalgamating union should be sent to the Registrar. After the registration of the notice of amalgamation, the amalgamated trade union shall come in operation.

# Dissolution of a registered trade union

- When a registered Trade Union is dissolved, notice of the dissolution signed by seven members and by the Secretary of the Trade Union shall, within fourteen days of the dissolution be sent to the Registrar, and shall be registered by him if he is satisfied that the dissolution has been effected in accordance with the rules of the Trade Union, and the dissolution shall have effect from the date of such registration.
- Where the dissolution of a registered Trade Union has been registered and the rules of the Trade Union do not provide for the distribution of funds of the Trade Union on dissolution, the Registrar shall divide the funds amongst the members in such manner as may be prescribed.

# Submission of returns

- (1) There shall be sent annually to the Registrar, on or before such date as may be prescribed, a general statement, audited in the prescribed manner, of all receipts and expenditure of every registered Trade Union during the year ending on the 31st day of December next preceding such prescribed date, and of the assets and liabilities of the Trade Union existing on such 31st day of December. The statement shall be prepared in such form and shall comprise such particulars as may be prescribed.
  
- (2) Together with the general statement there shall be sent to the Registrar a statement showing changes of office-bearers made by the Trade Union during the year to which the general statement refers together also with a copy of the rules of the Trade Union corrected upto the date of the despatch thereof to the Registrar



# Submission of returns

- (3) A copy of every alteration made in the rules of a registered Trade Union shall be sent to the Registrar within fifteen days of the making of the alteration.
- (4) For the purpose of examining the documents referred to in sub-sections (1), (2) and (3), the Registrar, or any officer authorised by him by general or special order, may at all reasonable times inspect the certificate of registration, account books, registers, and other documents, relating to a Trade Union, at its registered office or may require their production at such place as he may specify in this behalf, but no such place shall be at a distance of more than ten miles from the registered office of a Trade Union.

# Power to make Rule

- (1) The appropriate Government may make regulations for the purpose of carrying into effect the provisions of this Act.
- (2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters namely:—
  - (a) the manner in which Trade Unions and the rules of Trade Unions shall be registered and the fees payable on registration;
  - (b) the transfer of registration in the case of any registered Trade Union which has changed its head office from one State to another;
  - (c) the manner in which, and the qualifications by whom, the accounts of registered Trade Unions or of any class of such Unions shall be audited;
  - (d) the conditions subject to which inspection of documents kept by Registrars shall be allowed and the fees which shall be chargeable in respect of such inspections; and
  - (e) any matter which is to be or may be prescribed.

**The following reasons may be included in levying penalties:**

1. Failure to submit returns
2. Supplying false information regarding Trade Unions
3. Cognizance of offences

## **Procedures for penalties: Failure to submit Return**

- If default is made on the part of any registered Trade Union in giving any notice or sending any statement or other document as required by or under any provision of this Act, every office-bearer or other person bound by the rules of the Trade Union to give or send the same, or, if there is no such office-bearer or person, every member of the executive of the Trade Union, shall be punishable with fine which may extend to five rupees and, in the case of a continuing default, with an additional fine which may extend to five rupees for each week after the first during which the default continues, provided that the aggregate fine shall not exceed fifty rupees.
- Any person who willfully makes, or causes to be made, any false entry in, or any omission from, the general statement required by section 28 or in or from any copy of rules or of alterations of rules sent to the Registrar under that section, shall be punishable with fine which may extend to five hundred rupees.

## Procedures for penalties: Supplying false information regarding Trade Unions

- Any person who, with intent to deceive, gives to any member of a registered Trade Union or to any person intending or applying to become a member of such Trade Union any document purporting to be a copy of the rules of the Trade Union or of any alterations to the same which he knows, or has reason to believe, is not a correct copy of such rules or alterations as are for the time being in force, or any person who, with the like intent, gives a copy of any rules of an unregistered Trade Union to any person on the pretence that such rules are the rules of a registered Trade Union, shall be punishable with fine which may extend to two hundred rupees.

## Procedures for penalties: Cognizance of offences

- No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this Act.
- No Court shall take cognizance of any offence under this Act, unless complaint thereof has been made by, or with the previous sanction of, the Registrar or, in the case of an offence under section 32, by the person to whom the copy was given, within six months of the date on which the offence is alleged to have been committed.

## References:

- Bhatia S.K. (1980). Personnel Management and Industrial Relations. New Delhi: Deep and Deep Publications.
- Sarma, A.M. (2005). Aspects of Labour Welfare and Social Security. New Delhi: Himalaya Publishing House.

Thank You